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# University of Wollongong Union Annual Report 2015

University of Wollongong

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# University of Wollongong Union Annual Report 2015



# ANNUAL REPORT

## UNICENTRE 2015

ABN 28 915 832 337  
ACN 081 114 089

**UniCentre**  
Experience UOW



UNIVERSITY  
OF WOLLONGONG  
AUSTRALIA

# ANNUAL REPORT

## UNICENTRE 2015



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## Our Vision

UniCentre to be a deciding factor in experiencing UOW.

## Our Mission

Our mission is to create services, spaces and activities that enhance the University experience, funded by maximising the commercial returns of our business operations.

## Aim

UniCentre will strive for increased campus engagement and support of UOW's goal toward the top 1% of world Universities.

# GOALS TO DELIVER AND STRATEGIES

## Goal 1. Student Experience and Engagement

Build strong networks of student engagement resulting in 7% year on year growth in Clubs and Societies with establishment of satellite campus clubs to a sustainable level for each campus.

## Goal 2. Retail and Service Growth

UniCentre delivered retail and service provision on UOW campuses will be exemplary leaders across the Australian and International tertiary landscapes measured through local, national and international benchmarks (CSI, SEQ, ISB).

## Goal 3. Business Transformation

Ensure UniCentre leverages and delivers against UOW strategy and flagship development opportunities.

## Goal 4. Digital Innovation

Align ourselves with digital partners to embed the latest digital technology to our UniCentre student spaces and services on campus.

## Goal 5. People and Culture

Attract and retain quality people to support UniCentre in delivering its strategic outcomes.

## Goal 6. Sustaining UniCentre

Manage our operations, accreditation activity and business risk to ensure an ongoing and sustainable service provision is delivered to campus community.

# COMPANY STRUCTURE



# DIRECTORS' REPORT

Through 2015 UniCentre continued to provide high quality services and support to the University of Wollongong (UOW) Campus Communities.

The focus in 2015 concentrated on working towards the strategies identified in its Strategic Plan (available on the UniCentre website [www.unicentre.uow.edu.au](http://www.unicentre.uow.edu.au)).

## ACHIEVEMENTS

- UniCentre started its Building 11 refurbishment program which ran through 2015 and will complete in 2016 – creating appropriate space for a new and exciting retail/grocery offer through 2016.
- After more than 25 years of use, the Production Kitchen (previously located above UniShop) was re-created adjacent to the UniHall. The new production kitchen will bring modern and efficient cooking production for UniCentre operations.
- The financial results for Wollongong UniCentre Limited saw a deficit for the 2015 year, of (\$242,753) – predominantly on the back of taking back two tenancies to owned operations.
- UniCentre's student engagement and social activity function - Centre for Student Engagement (CSE) continued its broad reach across the campus community. CSE facilitated \$937,557 of engagement activity funded through UniCentre, UOW fee for service activity and externally sponsored activities.
- UniCentre facilitated a high level of student engagement through its Clubs & Societies programs. There was a total of 128 Clubs and/or Societies affiliated through CSE – a 6.7% increase against 2014 Club numbers.
- Children's Services underwent National Quality Framework Rating and Assessment at Kids Uni North and Kids Uni Out of School Hours/Vacation Care operations at the Innovation Campus (for the first time), both centres achieving an Exceeding NQF result. This continued high performance outcome further demonstrates the high quality care that our teams provide to families and the children attending the services.
- The Board approved the development of a Pre-School (3 to 5 year old children) within our premises at the Innovation Campus – adding a new services offer to the market place.
- UniCentre achieved renewed Quality Assurance ISO 9001 external accreditation for its business units and administrative functions in December 2015, having completed the first cycle of accreditation of 3 years.
- UniCentre welcomed two new tenancies to campus operations – Espresso Warriors at the newly opened Early Start facility providing 7 days per week service whilst ever Early Start operates. Societee opened within Building 11 late through the year providing a new "Bubble-Tea" offering to the campus experience.



# BOARD OF DIRECTORS



## **Melva Crouch, CSM**

**Executive Chair, UOW Chief Administrative Officer  
Director since August 2013**

Ms Melva Crouch joined the core Executive team of the University of Wollongong as Chief Administrative Officer in August 2013.

Ms Crouch has extensive experience as a logistics and corporate support manager in complex organisations. She commenced her career with the Australian Army as a logistics officer, serving for 23 years in a variety of Army and joint Defence roles culminating with the position of Head of Logistics and Administration at Joint Operations Command at the rank of Colonel.

Ms Crouch left the Army in 2005 to join the United Nations, subsequently providing logistic support to peacekeeping missions in the Democratic Republic of Congo, Liberia and Western Sahara. After five years in the field, she moved to New York to take on a more strategic administrative role with the Department of Field Support. Prior to joining the University of Wollongong she held the position of Director of Facilities and Commercial Services Division in the Department of Management, managing the office and conference facilities of the United Nations Headquarters and providing common support functions to the Secretariat.



## **Mike Gilmore**

**Executive Director, Company Secretary, General Manager  
Director Since January 2009**

As Executive Director and General Manager of Wollongong UniCentre Ltd, Mike's responsibility is across the direction and accountability for UniCentre as a complete entity. Prior to this role Mike was General Manager for the UOW Accommodation Services Division for 4 years and before that worked in the Facilities Management Division since 1997. Mike's experience before coming to the University of Wollongong was in the Hospitality and Support Services sectors providing hospitality based services to commercial organisations, major sporting/leisure venues as well as 4 and 5 star Hotels in Sydney and the ACT.

Through UniCentre's membership of the Tertiary Access Group Buying Cooperative, Mike is an elected Board Director of the group, and was nominated Treasurer in November 2014.



## **Mary Youssif**

**B.Com, M.Stud.Accy, FCPA, AGIA, RTA, MAMI, MAICD  
Non Executive Director  
Director Since August 2004**

Mary has held various senior and executive positions within the Coal Mining and Chemical Manufacturing Industries for 15 years. She also worked for the University of Wollongong between 1993 and 2001 in Chief Accountant and Project Management positions. During that time she was the Vice-Chancellor's representative on the UniCentre's Children's Services Management Committee. Currently she operates her own accounting practice locally. Mary has been a director on the Board of Community Alliance Credit Union (The Illawarra Credit Union) for the past 25 years and served as Chair of the Board from 2008 to 2014 and is currently the Chair of the Risk Committee. During this time, she formed and Chaired the Audit Committee, was on their Strategic Planning Committee for 4 years (Chair for one year), and the Governance Committee for 6 years (Chair for 2 years). As a former student and employee of the University of Wollongong, Mary brings extensive financial and business knowledge together with an understanding of the UniCentre and the Environment in which it operates.

Mary is a University of Wollongong appointed Director to UniCentre.



**Walter Immoos**  
Non Executive Director  
Director Since August 2010

Walter commenced his career in 1969 as an apprentice chef. He worked in various hotels through Europe in the kitchen until 1978. Walter attended hotel school in Lausanne, Switzerland & completed his hotel management diploma. Walter has worked for nearly all major hotel brands including the Hilton, Westin, Sun International and Holiday Inn. He came to Australia in 1989 to open Peppers on Sea Terrigal. Walter then converted this property to the very first Crown Plaza brand in Australia. In 1994 he then transferred to the Holiday Inn Menzies, which he converted to All Seasons Premier Menzies in 1996. In 2000 ACCOR bought the All Seasons group and hence, Walter commenced his career with ACCOR. During that year the Menzies was the official family hotel for the Olympic Games. At the end of 2005 Walter transferred to the Novotel Wollongong Northbeach as General Manager, he then resigned from this position at the end of 2014.

Walter's interests include art, history, tennis and golf.



**Jo Fisher**  
Non Executive Director  
Director Since August 2007

Jo is the instore merchandiser for the Unishop. She has been employed with Unicentre since 1993. Jo has studied in Welfare and Librarianship. She has written articles for Bookseller and Publisher magazine. Jo has 5 children, all of whom attend or have attended Kids Uni.

Jo is also a UOW Cares champion and a member of the Ally network on campus and a member of Women on Boards



**Tarrant Sewell**  
Non Executive Director  
Director Since October 2013

Tarrant is in his fifth year of studying Bachelor of Economics and Finance / Bachelor of Laws. Throughout the course of his degree he has also been working fulltime as a Law Clerk at Stacks Heard McEwan and General Manager of Wollcom Credit Management Services. Currently, Tarrant is working towards completing his tertiary studies at the end of 2016 and being admitted by the Law Society of NSW as a Solicitor in mid-2017. Tarrant will continue to work throughout 2016 in the best interests of Wollongong UniCentre to ensure the Student experience is able to continue to grow and improve into the future.



**Samuel Tedeschi**  
Non Executive Director  
Director Since October 2014

Sam is an undergraduate student in the final year of a Bachelor of Arts degree. Sam moved from regional NSW to Wollongong in 2013 to attend University. He holds executive positions with several UniCentre Clubs and Societies on campus and is a founding member of the UOW Music Society. Sam has been active in student representation at UOW for several years. He is currently serving as the President of the Wollongong Undergraduate Students' Association (WUSA) and is a member of the Student Representative Forum and the UniCentre Student Engagement Advisory Group. In addition to his University commitments, Sam works for the NSW Parliament and teaches guitar. Sam brings enthusiasm, dedication and commitment to students' interests to the UniCentre Board



**Thomas Quinn**  
Non Executive Director  
Director Since October 2014

Thomas is in his first year of a Masters in International Business, having just completed his undergraduate degrees in Commerce and Arts at UOW. After Studying for 4 years, Tom has developed extensive experience in navigating the challenges faced by many UOW students. After participating in the UniCentre's Alive and S4S Leadership programs, Tom increased his involvement with the UniCentre and now facilitates these and other programs for new and/or current students. His most recent activities include tutoring on campus with the Faculty of Business and pursuing a PHD. Complementing his on - campus activities Thomas has nine years of experience in providing high level strategic, administration and retail support in the Illawarra, ACT and Sydney.



**Sarah Lisle**  
Non Executive Director  
Director Since October 2015

Sarah Lisle has worked at the University of Wollongong (UOW) since 2012. Her current role is Community Engagement Coordinator within the Advancement Division; where she is responsible for key strategic programmes, utilising her extensive skills in stakeholder management, connecting communities and project management.

Sarah has worked in the not-for-profit sector in both the UK and Australia for over 15 years. With a business head and compassionate heart Sarah strives to ensure clear communication, striking harmony in the workplace and developing business opportunities. Sarah is currently undertaking her Executive Masters Business Administration (EMBA) through UOW's Sydney Business School.



**Daniel Crameri**  
Non Executive Director  
Director Since October 2015

Completing his Bachelor in 2013 Daniel has returned to UOW to study a Master of Business. Spending 6 years as an undergraduate, Daniel is well versed in all aspects of the student experience. Passionate about building community ideals, he wants to help drive Unicentre to succeed in its mission of enhancing the University experience for all students. Daniel's vision for student culture is one of participation and involvement, throughout and beyond a student's time at UOW.



**Dean Young**  
Non Executive Director  
Resigned 17 February 2015

Dean started his career working as a Trainee Accountant for a local council in the UK. He qualified as an Accountant in 1997, shortly after joining an Investment Bank in London as a Management Accountant. In 2002, Dean commenced his career in Property working for CB Richard Ellis as a Financial Controller responsible for the Europe, Middle East and Asia regions. Having migrated to Australia in 2005, he joined AMP as a Divisional Finance Manager responsible for various Shopping Centres within Australia and New Zealand. In 2006, Dean became the Centre Manager of a Shopping Centre in Sydney, before transferring to the Illawarra responsible for Dapto Mall. At the start of 2010, Dean moved to Wollongong Central where he is today the Centre Manager for the GPT Group. Dean's interests include all sports, primarily football, golf and tennis. Dean is a University of Wollongong appointed Director to UniCentre.



**Samantha Domagala**  
BCom, MBA, JP, GAICD  
Non Executive Director  
Resigned 25 August 2015

Samantha joined the University of Wollongong in 2005 as the Quality Assurance Manager. She started her career in private health insurance and then moved to a large Wollongong call centre with over 500 staff as a Service and then Quality Manager. Samantha has also been a part-time student at UOW for over 10 years, and completed her Master of Business of Administration in 2009. She brings extensive experience and specialist knowledge in student and administrative functions, process improvement, service excellence as well as the customer experience.



**Ashley Lake-Johns**  
Non Executive Director  
Resigned 25 August 2015

Ashley is in his first year of a Masters in International Business. Since 2012 when he started at the University of Wollongong, he has been an executive of UOW clubs and has proven to be one of their active members. Outside of University, Ashley has worked for a member of Parliament and has strong interests in history, politics and rugby. Ashley will bring to UniCentre a positive and focused business mind together with a dynamic commitment. He appreciates the importance and the value of the services provided by UniCentre in maintaining and improving them for students.

## BOARD OF DIRECTORS

This statement outlines the Wollongong UniCentre Corporate Governance Practices that were in place throughout the financial year.

The Board of Directors consists of six elected and up to six appointed directors, as provided for in the Articles of Association. The elected directors are drawn from the staff and students of the University, and the staff of UniCentre. The directors appointed by the University are selected with regard to the Government's guidelines for governance in controlled entities. The General Manager is the only Executive Director.

There were seven meetings of the Board during 2015. The number of Board meetings attended by directors is detailed below.

The Board is responsible for the overall Corporate Governance of Wollongong UniCentre Limited, including:

- strategic direction;
- establishing goals for management;
- monitoring organisational performance; and
- ensuring that stewardship frameworks are in place.

The Board has an approved Corporate Governance Manual. This document outlines in detail the Rights and Responsibilities of Directors, and requires that directors uphold the Australian Institute of Directors Code of Conduct. It also states the requirements for ethical conduct within the organisation, and disclosure of pecuniary interests on appointment and annually. Directors are offered external training and development activities, primarily through Australian Institute of Company Directors.

## DIRECTORS MEETING ATTENDANCE

	Board		Audit & Risk Management		Services	
	A	B	A	B	A	B
Melva Crouch	6	7	-	-	-	-
Mike Gillmore	7	7	4	4	4	5
Jo-Ann Fisher	5	7	-	-	5	5
Dean Young	2	2	-	-	-	-
Mary Youssif	6	7	3	4	-	-
Walter Immoos	5	7	-	-	5	5
Samantha Domagala	5	5	2	2	2	4
Ashley Lake-Johns	2	5	1	2	3	3
Samuel Tedeschi	7	7	4	4	5	5
Tarrant Sewell	6	7	-	-	-	-
Thomas Quinn	7	7	3	4	3	5
Sarah Lisle	2	2	0	1	-	-
Daniel Crameri	2	2	1	1	0	1

**A** = Number of meetings attended.

**B** = Reflects the number of meetings held during the time the director held office during the year.

Through 2015, Mr Dean Young, Appointed Board Member, resigned. Mr Ashley Lake-Johns and Ms Samantha Domagala, elected Directors, resigned.

At the election of Board members in October 2015, Mr Daniel Crameri was duly elected as a Student Elected Board Member and commenced his term at the October 2015 Board Meeting. These elections also saw: Ms Sarah Lisle elected as UOW Staff Elected Board Member.

## INSURANCE OF DIRECTORS AND OFFICERS

During the financial year a premium to insure directors and officers of the company was paid by the University of Wollongong, to the amount of \$34,100 per S300 (1)(g), 300(8) and 300(9). The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

## FINANCIAL PERFORMANCE

	2015 \$	2014 \$
Revenue	19,873,643	18,817,766
Operating result for the year	(242,753)	(9,368)
Retained earnings at the beginning of the financial year	9,282,683	9,292,051
Retained earnings at the end of the financial year	9,039,930	9,282,683

## PRINCIPLE ACTIVITIES

The Company's principal activities are the operation of commercial activities on the University of Wollongong Campuses including Food, Beverage and Coffee Services, Functions & Events, UniBar, UniShop, Child Care, Post Office, to support non-commercial Student Engagement activities and provide high level social experiences within modern facilities.

## AUDIT PROCESS

As a controlled entity of the University of Wollongong, the external auditors are The Audit Office of NSW. The Audit and Risk Management Committee advises the Board on the external audit program and outcomes. As a part of its process the committee requires:

- The attendance of The Audit Office of NSW representatives at meetings where their reports are considered.
- A formal sign-off from management to the Board, on the accuracy of financial position and performance statements.
- A procedure of absencing senior managers during Audit meetings.

## INTERNAL CONTROL FRAMEWORK

To assist in the discharge of its responsibilities for the internal control framework the Board uses Internal Auditors KPMG to ensure compliance with internal controls. The 2015 Internal Audit Plan provided a schedule of reviews of the following topics:

- Tri-ennial Organisational Risk Assessment
- Income Revenue and Debtor Management (for Childcare and Events & Venues)
- Student Engagement Activities

## DELEGATION OF AUTHORITY

The Board has, under section 198D of the Corporations Act, defined delegations of authority to individuals and committees. These delegations are recorded in the Governance Manual and cover:

- Property, Plant and Equipment
- Authority to Enter Contracts
- Staff and Organisation
- Operating Expenditure
- Financial Administration
- Sponsorship and Donation

## RISK MANAGEMENT

The General Manager oversees a range of risk management strategies on behalf of the Board of Directors. A Risk Assessment Program, conducted through the first half of 2015, identified key areas of risk and mitigation to create a new Risk Assessment Profile – which has been shared with the University's Risk Audit & Compliance Committee. The risk, mitigation strategies and status reports on action plans are embedded in quarterly reporting processes to the Audit & Risk Management Committee as well as reported to the Board. Other specific arrangements include:

- Review by the Board of the annual budget and regular financial performance reviews.
- A comprehensive Insurance Program.
- Policies to ensure that capital expenditure commitments above a certain limit are authorised by the Board.
- Work Health and Safety reviews of the workplace in accordance with the relevant legislation.

## BOARD COMMITTEES

The Board has the following advisory committees:

- Services Committee
- Audit and Risk Management Committee
- Children's Services Consultative Committee
- UniCentre Student Engagement Advisory Group (USEAG)
- Work Health & Safety Committee

## DIVIDENDS

Dividends are not payable by companies limited by guarantee, such as the Wollongong UniCentre Limited as a company limited by guarantee.

## STATE OF AFFAIRS

There were no significant changes to the scope of operating activities of the UniCentre during 2015. A range of service initiatives is discussed in the Review of Operations.

## EVENTS SUBSEQUENT TO BALANCE DATE

The University of Wollongong conducted an entity review of both Wollongong Unicentre and the University of Wollongong Recreation and Aquatic Centre during the year. The review focused on the delivery of operations of both entities and proposes a consolidation of activities across the two entities. Final approval of the proposal will be provided by the University Council early in 2016.

## LIKELY DEVELOPMENTS

Currently no likely developments to report.

## AUDITOR'S INDEPENDENT DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 18.

## REVIEW OF OPERATIONS

### Food & Beverage Retail

The Rush brand had a fantastic year with Rush and Rush 2 achieving record revenue figures. Rush at Building 67 capitalised on a favourable competitive environment in the first half of 2015 however faced increased competition in their vicinity in the second half with Espresso Warriors and The Terrace establishing themselves as credible alternatives in the back half of the year. Rush 2 continued to thrive in the busy student hub of Building 11 delivering a mix of fantastic coffee, gourmet sandwiches and outstanding service. Rush expanded its operations with the opening of our third café at Innovation Campus in March. Rush at IC has been very well received by the Innovation Campus community who have come to appreciate the quality coffee, food & friendly service on offer daily.

The Rewardle loyalty program in place across all three Rush outlets continues to grow with a membership base of 7900. This has given us direct contact with our customers via email and/or

push notifications which has proven to be a very effective way to communicate. The implementation of order ahead is growing in popularity with over \$13k worth of transactions achieved through this method in 2015.

The team at Rush continue to be at the forefront of the coffee scene on campus. Our desire to improve and evolve led to a new partnership with Zest Specialty Coffee Roasters at the end of 2015. Zest is an emerging brand making waves in the industry at present. Most recently they achieved the status of overall runner up in the prestigious 2015 Golden Bean National Coffee Roasters competition and continue to build a reputation of quality and innovation. The team at Rush are looking forward to seeing this relationship improve the coffee experience on campus in 2016 and beyond.

Fuel had its most challenging year as competitors continue to increase their standards and variety giving customers greater options on campus. Fuel is working together with the production kitchen to evolve its product range in a bid to reinvigorate its offering in 2016 before being transitioned into the IGA later in the year.

Boost Juice continued to deliver improved performance in 2015. Boost achieved multiple 100% scores in the mystery shopper program implemented by Boost HQ which is a great reflection of the high level of service and quality standards being delivered on a daily basis by the manager and her team. This excellent performance resulted in the outlet achieving a net profit for the first time since its opening. The team at Boost are looking forward to bigger and better things in 2016.

UniBar had a year of change. The beer garden deck was extended to incorporate a designated smoking section required to comply with new smoking regulations that came into force in July. New HD televisions and Foxtel was also introduced to the bar in 2015 giving us the ability to show live sport from Australia and overseas which has increased our potential to generate additional revenue and cater to the needs for sport loving students and staff on campus.

Determined to re-establish UniBar as the premier live music venue in the Illawarra after several years of declining activity, the UniBar Manager implemented multiple initiatives to get the bar back to the glory days. A smaller room was created to encourage up and coming bands to the venue instead being scared off by the size and potential emptiness of the main room. This gave bands three sized rooms to choose from with capacities of 250, 750 and 1700 in UniHall. We also changed our booking agent and partnered with local music industry legends Yours & Ows. The result was a massive 43 live music events in the bar in 2015 as opposed to just 8 in 2014. This activity has laid a platform for future success and UniBar is looking forward to building on this in 2016 with several big shows already confirmed.

## Student Engagement

The UniCentre Centre for Student Engagement (CSE) saw continued growth and positive feedback across all program areas.

Overall, more than 432 events were facilitated by the CSE team at Wollongong, Fairy Meadow and Circular Quay campuses and in turn the attendance at these events increased with 59,474 registered participants (an increase of 16% on 2014). The student contribution to campus activities saw increases across all program areas. Volunteer contribution in 2015 saw an increase of 3% on 2014 (total of 5,556 hours) and the number of registered Club-run activities being 1,736. As a result of those 1,736 registered Club-run activities, the attendance recorded reached 66,158 people (an increase of 38% on 2014).

Therefore the total reach of CSE activities, both facilitated internally or through student Clubs & Societies saw a reach of 125,632 participants across 2015, this is an increase of 27% on the recorded participation in 2014 (99,109).

## Employee Relations

Employee consultation and engagement were a key feature of 2015 with a number of focus groups initiated to improve employee engagement and support necessary change. There was a good level of interest from our team to participate in feedback resulting from the current Employee Satisfaction Survey with the findings and actions reported up to Board level. The year also supported the introduction of a 360 degree performance appraisal for management aimed at improving work relationships across the organisation. All participants found the process productive and gained insights into individual and team dynamics.

## Getting down to it!

The 'managing by walking' program continued in 2015 with Senior Managers exposed to the UniCentre 'coal face' of Barista, Cleaning, Childcare, Hospitality and Retail during the busiest period to sample what it's like to work in the primary service based roles of our organisation. The program is enjoyed by management and employees alike and is set to become an ongoing feature of UniCentre culture.

## Equity and Diversity

Annual reporting to the Workplace Gender Equity Agency highlighted positive support of programs aimed to better opportunities for women in the workplace with specific focus on programs to support equity across all areas of the organisation. UniCentre continues to receive a good level of compliance to the agency and benefit from a largely female workforce.

## Well-Being

The inaugural 'UniCentre Well-Being Day' was launched in 2015 with a good level of attendance. A UniCentre Well-Being Policy was launched at the well patronised event. The Well-Being policy is aimed to support our team while simultaneously increasing awareness of domestic violence support, good mental health, reducing workplace stress and conditions of employment that support well-being along with highlighting responsibility. The UniCentre Well-Being Day was so well received it will become an

ongoing feature to promote a healthy work/life balance.

## Enterprise Bargaining

Negotiations continued for Children's Services, Retail, Hospitality and Services with those agreements reaching the final stages towards the end of 2015. UniCentre remains firm in its approach to developing industrial instruments that meet the UniCentre organisational needs in addition to longer term strategy developments while recognising the valued contribution by our team.

On the work, health and safety front UniCentre had its best year on record in lost time injury hours to total hours worked (0.18%) reporting cycle which directly impacts workers compensation premiums. A staggering 90% of all hazards reported were done so within 24 hours and our workplace inspection/remedy program resulted in a 95% completion rate at the end of the annual cycle. Our entire team should be proud of this result and a special thank you to the UniCentre WHS Committee has been extended.

## Children's Services

UniCentre Children's Service, Kids Uni North and Kids Uni OOSH/ Vacation Care, underwent an Assessment and Compliance Inspection by the NSW Department of Education and Communities. Kids Uni North underwent in February 2015 and Kids Uni OOSH in June 2015. The centres both received a rating of "Exceeding" which is a great reward for both the team's hard work.

UniCentre Children's Services offered a wide variety of activities in the annual Calendar of Events for 2015. Most popular events included Chinese New Year, National Science Week, Cancer Council's "Biggest Morning Tea", Harmony Day, Soccer Man, National Children's Week, NAIDOC Week, World Environment Day, Junior Art Trail, Reptile Man, Books for Zim, National Simultaneous Story Time, Happy Harold, Backyard Bugs, the "Special Magic Show", Stress Down Day, Learn to Swim Safety, National Recycle Week, visits by Police and Fire Brigades, Preschool Graduations, Children's Christmas Parties.

350 parents and children attended Kid's Uni Inaugural Kidz Wish Walkathon, on 12 September raising \$11,675.00 for Kidz Wish. Over 50 staff volunteered to make this day a success.

Kids Uni North, South and South Coast Workers child care centres have continued working with the UOW Early Start Project as three of the Early Start Engagement Centres. These three centres were involved in considerable research throughout 2015 particularly in the areas of obesity & physical exercise and language & numeracy.

## Events & Venues

Events & Venues has had a successful year with a significant focus on transitioning to the larger scale events as outlined in the UniCentre Strategic Plan. The closing of the four UniVenue spaces, as well as the UniLodge, has left a slight reduction in revenue. However, the change in focus allows the department to



focus on the larger, more high-volume and high-profile events. Significant success was achieved in this regard in supporting prominent internal and external events.

Internal celebrations around the 40 Years of Independence was well highlighted with a 600+ staff celebration on the McKinnon Lawn in February, as well as the special anniversary Fellowship and Alumni Awards Dinner in UniHall for 350+. Support to Faculty events and Graduation remain areas of increasing responsibility and sources of positive feedback for UniCentre's contribution. Event Management services from Events & Venues continue to be a source of expertise and resource on a campus striving to achieve more with less. Events & Venues also continue to support the Vice-Chancellors Unit in staffing the VCU Catering Officer position and remain committed to meeting the needs of the campus whenever possible.

External events such as school formals and corporate events were again strong this year. IRT became a more regular client hosting a conference at Innovation Campus and a Residents Christmas Lunch in UniHall for 450 festive retirees. The Education Management Conference Gala Dinner, CMG Christmas Party and Alumni Awards all showcased the spectacular audio visual, lighting and decorative potential of the UniHall and helped solidify its place as a premier venue within the Illawarra. These events and the growing partnerships with key stakeholders provide significant opportunity to build successes in the area of high-volume high-profile events in 2016.

## Quality Assurance

Throughout 2015 UniCentre maintained certification to ISO9001, an externally accredited Quality Management System. The scope of the quality system covers all business units operated by UniCentre.

This process provides UniCentre operations with transparent, robust operating procedures and a framework for continuous improvement – leading to more consistent operational outcomes for our businesses and our customers.

## Tenancy Operations

In 2015 the UniCentre Food and Beverage tenant's portfolio expanded with Espresso Warriors opening in June and Societea in August. The Espresso Warriors tenancy forms part of UOW's Flagship Building 21 – The Early Start Discovery Space. The opening of Societea introduced a new product 'bubble tea' to the UOW Campus. A comparison YOY 2014/2015 of annual business growth realised a 5.5% increase in customer numbers and 7.65% revenue increase. It's important to note that these figures compare like for like as they exclude businesses that did not trade the full 2014 or the data was not accessible through the point of sale system. The strongest increase in revenues and patronage was experienced by Panizzi, followed by The Yard and Delish and to a lesser degree though still an increase, Okuma Sushi. Tenant Out for Lunch was refurbishment this year and had a change of ownership as did the former Roman Cave, now named Luna.

Student average spend increased nominally by 2%.

## How do our Customers Rate Us?

In 2015 UniCentre's average score for feedback measured through the four week annual, "Spill – Give us your thoughts Campaign" resulted in an overall satisfaction of 8.5 which is fairly consistent with the 2014 result of 8.7. The consistently high results and feedback can be viewed as the campus community's acknowledgement and recognition that UniCentre Services and Facilities are meeting the student experience expectations. The iPad Kiosks form a key channel to measure the campus community's satisfaction and receive suggestions and observations through free response options. This allows UniCentre to listen to customers' suggestions and observations for improvement and work towards acting on the common themes. The feedback strategy involves all retail and food & beverage businesses on campus and the kiosks are located at the point of experience and gathering feedback all year round.

## FINANCIAL OUTCOMES

The financial performance for 2015 was an operating deficit of \$242,753. Whilst the deficit result is disappointing, there were positive financial movements which are encouraging. Revenue increased materially by 5.6% to \$19,873,643, which indicates a strong and robust campus market.

Trading units that did not meet financial expectations included UniShop, Events & Venues and Food & Beverage units. Due to unforeseen circumstances UniCentre operated two previously tenanted food & beverage trading units during the year, which negatively impacted the yearly financial result. Whilst printed text book sales continue to marginally decline due to a changing campus market other products such as the UniBar and Cafes performed strongly. The Child Care unit performed strongly with high levels of child care utilisation in each of the facilities.

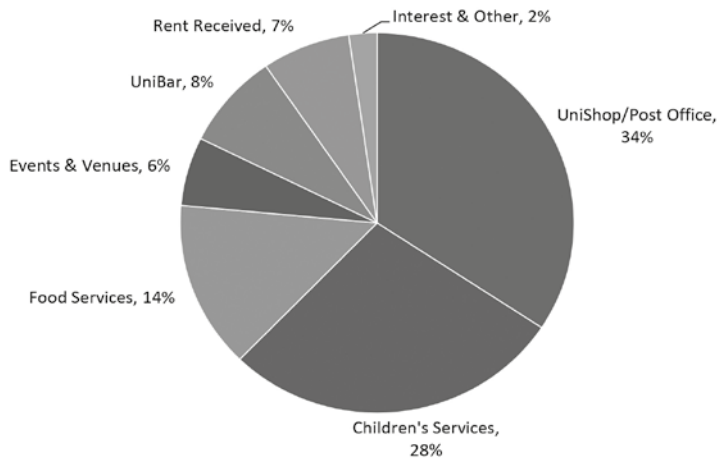
The Centre for Student Engagement unit provided increased year on year engagement activity on the main and remote campuses during the year and this resulted in a marginal increased expense. There was a 14% increase in campus engagement activity which resulted in a 27% increase in participants.

The Statement of Financial Position continues to be strong as UniCentre continues to pay down existing debt with the University of Wollongong. This strong position has enabled UniCentre to focus on further retail development on the main campus which will yield a strong financial return in future years.

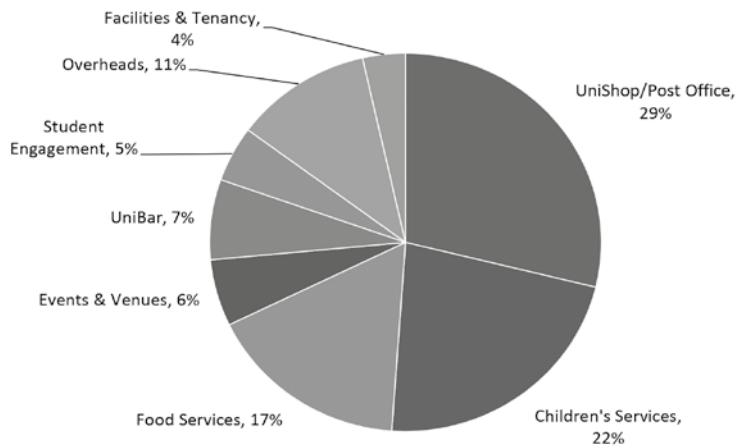
General Overhead expenses were managed well within budget and forecast as Management focused on providing appropriate levels of support to the trading units who experienced increased operational activity and revenue growth.

The increase in revenue combined with retail expansion on the main campus lays a solid foundation to return UniCentre to an operating surplus in the new year.

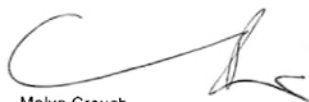
# 2015 INCOME DISSECTION



# 2015 EXPENDITURE DISSECTION



Signed in accordance with a resolution of the Board of Directors on the 19th April, 2016.

  
Melva Crouch  
Executive Chair

  
Michael Gillmore  
Executive Director



## INDEPENDENT AUDITOR'S REPORT

### Wollongong UniCentre Limited

To Members of the New South Wales Parliament and Members of Wollongong UniCentre Limited

I have audited the accompanying financial statements of Wollongong UniCentre Limited (the Company), which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information that may have been hyperlinked to/from the financial statements.

## Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, the *Corporations Act 2001* and relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Wollongong UniCentre Limited on 12 April 2016, would be in the same terms if provided to the directors as at the time of this auditor's report.



Chris Clayton  
Director, Financial Audit Services

21 April 2016  
SYDNEY



To the Directors  
Wollongong UniCentre Limited

### **Auditor's Independence Declaration**

As auditor for the audit of the financial statements of Wollongong UniCentre Limited for the year ended 31 December 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink, appearing to read 'C. Clayton'.

Chris Clayton  
Director, Financial Audit Services

12 April 2016  
SYDNEY

## DIRECTOR'S DECLARATION

In the opinion of the Directors of Wollongong UniCentre Limited ("the Company"):

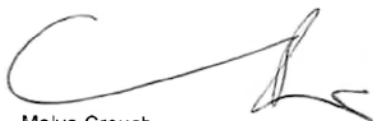
1. The financial statements and notes, are in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, including:
  - (a) Giving a true and fair view of the financial position of the Company as at 31 December 2015 and of their performance, as represented by the results of its operations and their cash flows, for the year ended on that date; and
  - (b) Complying with Australian Accounting Standards and the Corporations Regulations 2001;and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

We are not aware of any circumstances that would render any particulars included in the financial reports to be misleading or inaccurate.

Dated at Wollongong, 19 April 2016.

Signed in accordance with a resolution of the Directors.

### SIGNATURES



Melva Crouch  
Executive Chair



Michael Gillmore  
Executive Director

## Statement of Comprehensive Income

### For the Year Ended 31 December 2015

		2015	2014
	Note	\$	\$
Revenue from continuing operations	3	<b>19,873,643</b>	18,817,766
Gain/(loss) on disposal of assets	4	<b>(2,424)</b>	(2,830)
Raw materials and consumables used		<b>(6,456,318)</b>	(6,131,110)
Employee related expenses	5(a)	<b>(9,735,447)</b>	(9,151,487)
Depreciation and amortisation expense	5(b)	<b>(1,024,245)</b>	(964,989)
Other expenses	5(c)	<b>(2,876,062)</b>	(2,528,418)
Finance costs		<b>(21,900)</b>	(48,300)
<b>Operating Result before income tax</b>		<b>(242,753)</b>	(9,368)
Income tax expense	1(d)	-	-
<b>Operating Result for the year</b>		<b>(242,753)</b>	(9,368)
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(242,753)</b>	(9,368)

The accompanying notes form part of these financial statements.

# Statement of Financial Position

As at 31 December 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,382,694	2,516,902
Trade and other receivables	7	725,542	641,723
Inventories	8	2,019,364	2,066,192
Other non-financial assets	9	41,931	64,551
Total current assets		<u>5,169,531</u>	<u>5,289,368</u>
<b>Non current assets</b>			
Other non-financial assets	9	38,889	-
Property, plant and equipment	10	2,336,937	2,385,071
Intangible assets	11	5,385,029	5,630,407
Total non current assets		<u>7,760,855</u>	<u>8,015,478</u>
<b>Total assets</b>		<u><b>12,930,386</b></u>	<u><b>13,304,846</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	2,477,397	2,148,874
Borrowings	13	126,672	440,000
Provisions	14	895,083	892,534
Other liabilities	15	214,234	200,354
Total current liabilities		<u>3,713,386</u>	<u>3,681,762</u>
<b>Non current liabilities</b>			
Borrowings	13	-	126,672
Provisions	14	169,570	173,296
Other liabilities	15	7,500	40,433
Total non current liabilities		<u>177,070</u>	<u>340,401</u>
<b>Total liabilities</b>		<u><b>3,890,456</b></u>	<u><b>4,022,163</b></u>
<b>Net assets</b>		<u><b>9,039,930</b></u>	<u><b>9,282,683</b></u>
<b>EQUITY</b>			
Retained earnings	16	9,039,930	9,282,683
<b>Total equity</b>		<u><b>9,039,930</b></u>	<u><b>9,282,683</b></u>

The accompanying notes form part of these financial statements.



# Statement of Changes in Equity

For the Year Ended 31 December 2015

2014

	Note	Retained Earnings \$
Balance at 1 January 2014		9,292,051
Total comprehensive income for the year	16	(9,368)
Balance at 31 December 2014		<u>9,282,683</u>

2015

	Note	Retained Earnings \$
Balance at 1 January 2015		9,282,683
Total comprehensive income for the year	16	(242,753)
Balance at 31 December 2015		<u>9,039,930</u>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

### For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		20,952,138	21,137,552
Payments to suppliers and employees		(19,953,026)	(19,913,252)
Interest received		79,737	86,145
Interest paid		(21,900)	(48,300)
<b>Net cash flows from operating activities</b>	24	<b>1,056,949</b>	<b>1,262,145</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for property, plant and equipment		(647,351)	(313,707)
Payments for intangibles		(85,806)	(12,338)
<b>Net cash used in investing activities</b>		<b>(733,157)</b>	<b>(326,045)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of borrowings		(458,000)	(458,000)
<b>Net cash used in financing activities</b>		<b>(458,000)</b>	<b>(458,000)</b>
Net increase/(decrease) in cash and cash equivalents held		(134,208)	478,100
Cash and cash equivalents at beginning of year		2,516,902	2,038,802
<b>Cash and cash equivalents at the end of the year</b>		<b>2,382,694</b>	<b>2,516,902</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 1 Summary of Significant Accounting Policies

Wollongong UniCentre Limited (the "Company") is a company limited by guarantee incorporated and domiciled in Australia. If the Company is wound up, each 'member' is liable to contribute a maximum of \$1.00 towards the costs, charges and expenses of winding up the Company and payment of debts and liabilities of the Company. The address of the Company's registered office is Northfields Avenue, North Wollongong NSW 2500.

The financial statement covers Wollongong UniCentre Limited for the year ended 31 December 2015.

The nature of the operations and principal activities of the Company are providing services primarily to students including childcare, entertainment, student engagement activities, retail and food services.

### (a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (which includes Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*.

These statements were authorised for issue on the 19th of April, 2016.

The financial statements are presented in Australian dollars.

Compliance with Australian Charities and Not-for-profit Commission

The financial statement have been prepared in accordance with the *Australian Charities and Not-for-profits Commissions Act 2012*.

#### *Compliance with IFRS*

The financial statements of the Company do not comply with IFRS because the Company has adopted the not for profit requirements of the Australian Accounting Standards which are inconsistent with IFRS requirements.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention except that the liability for long service leave is adjusted to net present value.

#### *Critical accounting estimates*

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 1 Summary of Significant Accounting Policies continued

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

*(i) Sale of goods and rendering of services*

Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is recognised when the service is provided or by reference to the stage of completion.

*(ii) Lease income*

Lease income from operating leases is recognised as income on a straight line basis over the lease term.

*(iii) Interest income*

Interest income is recognised in the Statement of Comprehensive Income as it accrues.

*(iv) Dividends*

Dividends are recognised as revenue when the right to receive payment is established.

*(v) Grants and contributions*

Grants and contributions are generally recognised as revenues when the company obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

#### **(c) Interest costs**

Interest costs comprise interest payable on borrowings, which is recognised in the statement of comprehensive income as it accrues

#### **(d) Income tax**

The operations of the Company are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997)*.

The operations of the Company are exempt from payroll tax under Sections 48(2) of the *Payroll Tax Act 2007*.

#### **(e) Leases**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 10). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (note 19). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 1 Summary of Significant Accounting Policies continued

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

### (f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

### (g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in current liabilities in the statement of financial position.

### (h) Trade and other receivables

Trade and other receivables are recognised at the original invoice amount as this is not materially different to amortised cost, given the short term nature of these receivables. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the statement of comprehensive income.

Debt forgiveness is recognised as the amount receivable as at the time the debt is forgiven.

### (i) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated selling costs.

### (j) Investments and other financial assets

#### Classification

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

#### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 1 Summary of Significant Accounting Policies continued

### *(ii) Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non current assets. Loans and receivables are included in receivables in the statement of financial position.

### *(iii) Held to maturity investments*

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

### *(iv) Available for sale financial assets*

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of reporting date.

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the statement of comprehensive income as gains and losses from investment securities.

### **Subsequent measurement**

Available for sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payment is established.

### **Fair value**

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

### **Impairment**

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income in a subsequent period.

### **(k) Property, plant and equipment**

#### *(i) Owned Assets*

Property, plant and equipment is stated at historical cost less depreciation.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 1 Summary of Significant Accounting Policies continued

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Generally property, plant and equipment and intangible assets with a greater value than \$5,000 are capitalised except for computer equipment which is normally capitalised irrespective of the \$5,000 threshold where it is considered to be part of a network of assets. Other property, plant and equipment items will be capitalised if they are individually less than \$5,000 in value only if they collectively with other items exceed \$5,000 combined and form one asset item.

Depreciation is calculated on a straight line basis over the estimated useful life of the specific assets as follows:

	2015	2014
Building improvements	5 - 10 years	5 - 10 years
Plant and equipment	3 - 10 years	3 - 10 years
Computer equipment	3 - 5 years	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### (I) Intangible assets

#### (i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment losses recognised for goodwill are not subsequently reversed.

#### (ii) Computer Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

#### (iii) Occupancy Contribution

The Company from time to time contributes to the cost of construction of buildings, their improvements and landscaping on land over which it has no security or tenure. These amounts are accounted for in the statement of financial position as Occupancy Contribution, pursuant to an agreement reached with the University of Wollongong. The Company has the right to occupy these buildings for the life of the asset.

	2015	2014
Occupancy Contribution	30 - 40 Years	30 - 40 Years

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 1 Summary of Significant Accounting Policies continued

#### (m) Trade and other payables

Trade and other payables are stated at cost, which is considered to approximate amortised cost due to their short term nature and are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

#### (n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw down of the facility, are recognised as prepayments and amortised on a straight line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date and does not expect to settle the liability for at least 12 months after the reporting date.

#### (o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The pre tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

#### (p) Employee benefits

##### (i) Short term obligations

Liabilities for wages and salaries (including non monetary benefits) and annual leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non current liability.

Long term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 Employee Benefits.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.



# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 1 Summary of Significant Accounting Policies continued

### *(ii) Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. Leave is charged to the provision at the time leave is taken. The provision for long service leave was assessed by PricewaterhouseCoopers for the year ended 31 December 2015. The assumptions used to calculate the long service leave provision include:

- Salary inflation rate per annum 3% (2014: 3%)
- Discount rate 2.6% (2014: 2.27%)
- Proportion of leave taken in service 18% (2014: 22%)

### *(iii) Superannuation entitlements*

Contributions to employee superannuation funds are charged against income as incurred. The Company is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

### **(q) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### **(r) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in the financial statement or significantly impact the disclosures in relation to the Company.

## 2 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash, investments, receivables, payables and borrowings.

The Company manages its exposure to the following financial risks, including credit risk, liquidity risk and market risk relating to interest rate and equity risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports to the Board on its activities.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 2 Financial risk management objectives and policies continued

### (a) Credit risk

Credit risk refers to the risk that indebted counter parties will default on their contractual obligations, resulting in financial loss to the Company. Credit risk is monitored on an ongoing basis. The majority of the Company's business is conducted by cash or EFTPOS, and consequently the level of credit risk is low. In addition, the majority of trade and other debtors are with related entities. The Company does not require collateral in respect of financial assets. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 7.

Investments are allowed only in liquid securities. All funds invested are invested with the National Australia Bank.

The weighted average interest rate on interest earned by the Company is 1.86% (2014: 2.47%).

At reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk by class of recognised financial assets is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 7.

### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### *Maturities of financial liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of each reporting period.

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 2 Financial risk management objectives and policies continued

#### 31 December 2015

	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate \$	Non Interest \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Total \$
<b>Financial assets</b>								
Cash and cash equivalents	1.86	2,382,694	-	-	2,382,694	-	-	2,382,694
Receivables	-	-	-	725,542	725,542	-	-	725,542
<b>Total financial assets</b>	1.86	2,382,694	-	725,542	3,108,236	-	-	3,108,236
<b>Financial liabilities</b>								
Payables	-	-	-	-	2,477,397	-	-	2,477,397
Borrowings- Uni of Wollongong	6.00	-	126,672	-	126,672	-	-	126,672
Borrowings- Department of Social Services	-	-	-	25,500	18,000	7,500	-	25,500
<b>Total financial liabilities</b>	6.00	-	126,672	25,500	2,622,069	7,500	-	2,629,569

#### 31 December 2014

	Average Interest Rate %	Variable Interest Rate \$	Fixed Interest Rate \$	Non Interest \$	Less than 1 Year \$	1 to 5 Years \$	5+ Years \$	Total \$
<b>Financial assets</b>								
Cash and cash equivalents	2.47	2,516,902	-	-	2,516,902	-	-	2,516,902
Receivables	-	-	-	641,723	641,723	-	-	641,723
<b>Total financial assets</b>	2.47	2,516,902	-	641,723	3,158,625	-	-	3,158,625
<b>Financial liabilities</b>								
Payables	-	-	-	-	2,148,874	-	-	2,148,874
Borrowings- Uni of Wollongong	6.00	-	566,672	-	440,000	126,672	-	566,672
Borrowings- Department of Social Services	-	-	-	43,500	18,000	25,500	-	43,500
<b>Total financial liabilities</b>	6.00	-	566,672	43,500	2,606,874	152,172	-	2,759,046

#### (c) Market risk

##### (i) Foreign currency risk

The Company's only exposure to foreign currency risk is in relation to purchases of UniShop stock from overseas. These purchases are normally each less than \$1,000 and in total are not material to the operations of UniShop as an individual business unit or to the Company. Sale price of these goods is set after the goods are paid for, thus the Australian Dollar amount is known, effectively passing on any foreign exchange cost or benefit to the customer.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 2 Financial risk management objectives and policies continued

### (ii) Price risk

The Company and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Company and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil (2014: \$nil). The Company is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, investments held by the Company are diversified.

### (iii) Cash flow and fair value interest rate risk

Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 6. The forecast at the end of 2015 is an increase or decrease of 1% based on the current Reserve Bank of Australia cash rate of 2.0%. The Company's trade and other receivables are non interest bearing and all related party loans and receivables are interest free. Interest rates on Commercial Hire Purchase finance are fixed at the time of drawdown of each individual loan within the umbrella facility. The Company's trade and other payables are non interest bearing.

### (iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk and price risk.

31 December 2015

#### Financial assets

Cash and Cash Equivalents

Accounts receivable

Financial assets - Fair value through P & L

#### Financial liabilities

Trade payables

Current borrowings

Other financial liabilities

Total increase/(decrease)

Carrying amount \$	Interest rate risk				Price risk			
	-1%		+1%		-1.304%		+1.304%	
	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
2,382,694	(23,827)	(23,827)	23,827	23,827	-	-	-	-
725,542	-	-	-	-	-	-	-	-
33,333	-	-	-	-	-	-	-	-
2,477,397	-	-	-	-	-	-	-	-
126,672	-	-	-	-	-	-	-	-
38,620	-	-	-	-	-	-	-	-
	(23,827)	(23,827)	23,827	23,827	-	-	-	-

## Notes to the Financial Statements

For the Year Ended 31 December 2015

31 December 2014

	Carrying amount \$	Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
		Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$	Profit \$	Equity \$
<b>Financial assets</b>									
Cash and Cash Equivalents	2,516,902	(25,169)	(25,169)	25,169	25,169	-	-	-	-
Accounts receivable	641,723	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>									
Trade payables	2,148,874	-	-	-	-	-	-	-	-
Current borrowings	440,000	-	-	-	-	-	-	-	-
Non-current borrowings	126,672	-	-	-	-	-	-	-	-
Other financial liabilities	57,072	-	-	-	-	-	-	-	-
Total increase/(decrease)		(25,169)	(25,169)	25,169	25,169	-	-	-	-

### 3 Revenue

From continuing operations

	2015 \$	2014 \$
Sales revenue		
- sale of goods	12,324,792	11,981,886
- provision of services	5,854,689	5,263,594
	<u>18,179,481</u>	<u>17,245,480</u>
Other revenue		
- interest	79,737	86,145
- Rental income	1,254,425	1,199,591
- Grants received - related parties	185,000	185,000
- Other income	175,000	101,550
	<u>1,694,162</u>	<u>1,572,286</u>
	<u>19,873,643</u>	<u>18,817,766</u>

### 4 Gain/(loss) on disposal of assets

	2015 \$	2014 \$
Gain/(loss) on disposal of assets	(2,424)	(2,830)
	<u>(2,424)</u>	<u>(2,830)</u>

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 5 Expenses

(a) Employee benefits expense

	2015	2014
	\$	\$
Wages and salaries	8,076,762	7,596,842
Annual leave expense	586,957	565,738
Long service leave expense	105,531	101,186
Superannuation expense	772,169	694,454
Workers compensation expense	119,957	120,017
Other employee benefits	74,071	73,250
	<b>9,735,447</b>	<b>9,151,487</b>

### Superannuation

The Company makes contributions to various third party defined contribution superannuation funds. Contributions are included in the income statement as employee benefit expense, as outlined in Note 5a. The Company does not contribute to, or have any connection with, any defined benefit superannuation funds.

(b) Depreciation and Amortisation

	2015	2014
	\$	\$
<b>Depreciation</b>		
Building improvements	416,860	388,633
Plant and equipment	250,197	233,195
Computer equipment	26,004	15,834
<b>Total Depreciation</b>	<b>693,061</b>	<b>637,662</b>
<b>Amortisation</b>		
Occupancy contribution	308,784	308,784
Establishment costs	2,686	1,609
Computer software	19,714	16,934
<b>Total amortisation</b>	<b>331,184</b>	<b>327,327</b>
<b>Total depreciation and amortisation</b>	<b>1,024,245</b>	<b>964,989</b>

(c) Other Expenses

	2015	2014
	\$	\$
Consultant fees	268,341	285,100
Maintenance	316,041	304,474
Advertising & Promotional	78,539	82,530
Computer rental	62,844	61,587
Auditor's remuneration - audit of financial statements	57,200	66,600
Security	62,949	30,862
Activity Expenses	86,782	116,275
Cleaning	72,023	75,318

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 5 Expenses continued

##### (c) Other Expenses continued

	2015	2014
	\$	\$
Kids Uni Catering	109,319	96,298
Bank charges	132,146	111,869
Laundry	62,754	63,867
Nappy Services	52,529	53,615
Waste disposal	133,389	104,158
Leasing cost	52,418	41,666
Small Equipment	57,356	42,897
Legal expenses	86,217	47,324
Materials and Consumables	61,453	45,117
Evening Entertainment	65,467	41,850
Lunch Entertainment	62,095	41,724
Other	996,200	815,287
	<b>2,876,062</b>	<b>2,528,418</b>

#### 6 Current assets - Cash and cash equivalents

	2015	2014
	\$	\$
Cash at bank and on hand	2,382,694	2,516,902

#### 7 Current assets - Trade and other receivables

	2015	2014
	\$	\$
Trade receivables	734,295	647,518
Provision for impairment	(a) (8,753)	(5,795)
<b>Sub - Total</b>	<b>725,542</b>	<b>641,723</b>
<b>Total current trade and other receivables</b>	<b>725,542</b>	<b>641,723</b>

##### (a) Impaired trade receivables

As at 31 December 2015 current trade receivables of the Company with a nominal value of \$324,610 (2014: \$76,788) were past due. Of this past due amount, \$8,753 (2014: \$5,795) was considered impaired and provided for. The individually impaired receivables mainly relate to children's services, which are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

	2015	2014
	\$	\$
Over 6 months	8,753	5,795

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 7 Current assets - Trade and other receivables continued

Movements in the provision for impairment of receivables are as follows:

	2015	2014
	\$	\$
At 1 January	(5,795)	(5,914)
Provision for impairment recognised during the year	(2,958)	(1,705)
Provision for impairment recovered during the year	-	1,824
At 31 December	<b>(8,753)</b>	<b>(5,795)</b>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Information about the Company's exposure to credit risk, foreign currency and interest rate risk is provided in Note 2.

As of 31 December 2015, trade receivables of \$315,857 (2014: \$70,993) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2015	2014
	\$	\$
1 to 3 months	71,997	43,337
3 to 6 months	22,319	7,038
Over 6 months	221,541	20,618
At 31 December	<b>315,857</b>	<b>70,993</b>

#### 8 Current assets - Inventories

	2015	2014
	\$	\$
Inventories - at cost	2,019,364	2,066,192
	<b>2,019,364</b>	<b>2,066,192</b>



# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 8 Current assets - Inventories continued

Write downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2015 amounted to \$18,291 (2014: \$33,009). The expense has been included in 'raw materials and consumables used' in profit or loss.

## 9 Other non-financial assets

	2015	2014
	\$	\$
<b>CURRENT</b>		
Lease Incentive	33,333	-
Prepayments	8,598	64,551
Total current assets	41,931	64,551
	2015	2014
	\$	\$
<b>NON-CURRENT</b>		
Lease Incentive	38,889	-
Total non-current assets	38,889	-

## 10 Non current assets - Property, plant and equipment

	2015	2014
	\$	\$
<b>Building improvements</b>		
Cost or fair value	4,676,192	4,466,020
Accumulated depreciation	(3,304,478)	(3,002,181)
Total building improvements	1,371,714	1,463,839
<b>Plant and equipment</b>		
Cost or fair value	2,730,107	2,473,662
Accumulated depreciation	(1,844,695)	(1,625,142)
Total plant and equipment	885,412	848,520
<b>Computer equipment</b>		
Cost or fair value	159,635	126,531
Accumulated depreciation	(79,824)	(53,819)
Total computer equipment	79,811	72,712
<b>Total property, plant and equipment</b>	<b>2,336,937</b>	<b>2,385,071</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 10 Non current assets - Property, plant and equipment continued

### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building improvements \$	Plant and equipment \$	Computer equipment \$	Total \$
<b>Year ended at 31 December 2015</b>				
Balance at the beginning of year	1,463,839	848,520	72,712	2,385,071
Additions	326,777	287,471	33,104	647,352
Disposals - written down value	(2,042)	(382)	-	(2,424)
Depreciation expense	(416,860)	(250,197)	(26,004)	(693,061)
<b>Year ended at 31 December 2015</b>	<b>1,371,714</b>	<b>885,412</b>	<b>79,811</b>	<b>2,336,937</b>
<b>Year ended at 31 December 2014</b>				
Balance at the beginning of year	1,736,652	929,209	45,995	2,711,856
Additions	115,820	155,336	42,551	313,707
Disposals - written down value	-	(2,830)	-	(2,830)
Depreciation expense	(388,633)	(233,195)	(15,834)	(637,662)
<b>Year ended at 31 December 2014</b>	<b>1,463,839</b>	<b>848,520</b>	<b>72,712</b>	<b>2,385,071</b>

## 11 Non current assets - Intangible Assets

	2015 \$	2014 \$
<b>Computer software</b>		
Cost	116,161	75,388
Accumulated amortisation and impairment	(49,542)	(29,828)
<b>Net carrying value</b>	<b>66,619</b>	<b>45,560</b>
<b>Goodwill</b>		
Cost	231,731	186,698
Accumulated amortisation and impairment	(119,385)	(116,699)
<b>Net carrying value</b>	<b>112,346</b>	<b>69,999</b>
<b>Occupancy contribution</b>		
Cost	9,821,137	9,821,137

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 11 Non current assets - Intangible Assets continued

Accumulated amortisation and impairment	<b>(4,615,073)</b>	(4,306,289)
<b>Net carrying value</b>	<b>5,206,064</b>	5,514,848
<b>Total Intangibles</b>	<b>5,385,029</b>	5,630,407

#### (a) Movements in Carrying Amounts

	Computer software \$	Goodwill \$	Occupancy contribution \$	Total \$
<b>Year ended 31 December 2015</b>				
Net carrying amount at start of year	45,560	69,999	5,514,848	5,630,407
Additions	40,773	45,033	-	85,806
Amortisation	(19,714)	(2,686)	(308,784)	(331,184)
<b>Closing value at 31 December 2015</b>	<b>66,619</b>	<b>112,346</b>	<b>5,206,064</b>	<b>5,385,029</b>
<b>Year ended 31 December 2014</b>				
Net carrying amount at start of year	50,155	71,608	5,823,632	5,945,395
Additions	12,339	-	-	12,339
Amortisation	(16,934)	(1,609)	(308,784)	(327,327)
<b>Closing value at 31 December 2014</b>	<b>45,560</b>	<b>69,999</b>	<b>5,514,848</b>	<b>5,630,407</b>

### 12 Current liabilities - Trade and other payables

	2015 \$	2014 \$
Sundry creditors	611,694	393,098
GST payable	36,690	39,164
Accrued expenses	1,829,013	1,716,612
	<b>2,477,397</b>	2,148,874

Information about the Company's exposure to foreign exchange risk is provided in Note 2.

# Notes to the Financial Statements

## For the Year Ended 31 December 2015

### 13 Borrowings

(a) Current liabilities

	2015 \$	2014 \$
<b>Unsecured</b>		
Loans from related parties	126,672	440,000
<b>Total current borrowings</b>	<b>126,672</b>	<b>440,000</b>

(b) Non-current liabilities

	2015 \$	2014 \$
<b>Unsecured</b>		
Loans from related parties	-	126,672
<b>Total non-current borrowings</b>	<b>-</b>	<b>126,672</b>

**Total borrowings**

<b>126,672</b>	<b>566,672</b>
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### 14 Provisions

(a) Current liabilities

	2015 \$	2014 \$
Employee benefits - long service leave	402,243	405,482
Employee benefits - annual leave	492,840	487,052
	<b>895,083</b>	<b>892,534</b>

(b) Non current liabilities

	2015 \$	2014 \$
Employee benefits - long service leave	169,570	173,296
	<b>169,570</b>	<b>173,296</b>

The current provision for long service leave and annual leave includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current. Based on past experience, the Company does not expect all employees to take the full amount of accrued current long service leave and annual leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

	2015	2014
	\$	\$
Long service leave obligation expected to be settled after 12 months	289,511	308,489
Annual leave obligation expected to be settled after 12 months	69,562	103,831

#### Expense recognised in the Statement of Comprehensive Income

Movements in provisions for annual leave and long service leave are included in the profit or loss as employee benefits expense, as outlined in Note 5a.

## 15 Other liabilities

	2015	2014
	\$	\$
CURRENT		
Department of Social Services Loan	18,000	18,000
Deposits held	13,120	13,572
Income in advance	183,114	168,782
	<u>214,234</u>	<u>200,354</u>

	2015	2014
	\$	\$
NON-CURRENT		
Department of Social Services Loan	7,500	25,500
Income in advance	-	14,933
	<u>7,500</u>	<u>40,433</u>

The Company has responsibility for repayment of a loan, made by the Department of Social Services to the University of Wollongong, to finance, in part, extensions to the Children's Services Centre.

## 16 Retained Earnings

	2015	2014
	\$	\$
Balance 1 January	9,282,683	9,292,051
Operating Result for the year	(242,753)	(9,368)
Retained earnings at 31 December	<u>9,039,930</u>	<u>9,282,683</u>

## 17 Key Management Personnel Disclosures

### (a) Directors

The following persons were directors of Wollongong Unicentre Limited during the financial year:

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 17 Key Management Personnel Disclosures continued

### (a) Directors continued

#### (i) Executive Chair

Melva Crouch

#### (ii) Executive Director

Michael Gillmore

#### (iii) Non executive Directors

Daniel Crameri (Commenced: 27/10/2015)

Samantha Domagala (Concluded: 25/08/2015)

Jo Ann Fisher

Walter Immoos

Ashley Lake Johns (Concluded: 25/08/2015)

Sarah Lisle (Commenced: 27/10/2015)

Thomas Quinn

Tarrant Sewell

Samuel Tedeschi

Dean Young (Concluded: 17/02/2015)

Mary Youssif

Apart from the details disclosed in note 20, no Director has entered into a material contract with Wollongong UniCentre Limited since the end of the previous financial year. All contracts involving a Director are conducted at arm's length.

The totals of remuneration paid to the key management personnel of Wollongong UniCentre Limited during the year are as follows:

### (b) Remuneration of Executive Officers

	2015	2014
	\$	\$
<b>Remuneration payments made to Executive Officers</b>		
Short term employee benefits	221,503	220,387
Post employment benefits	31,874	29,817
	<b>253,377</b>	<b>250,204</b>

## 18 Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company:

	2015	2014
	\$	\$
<b>Audit Office of NSW</b>		
Audit of financial statements	57,200	66,600

## Notes to the Financial Statements

### For the Year Ended 31 December 2015

#### 19 Commitments

(a) Lease commitments

(i) *Operating lease commitments*

Future Non Cancellable Operating Lease Rentals of Plant and Equipment

The Company has entered into a commercial lease for computer equipment. The computer equipment lease is for three years. There are no restrictions placed upon the lessee by entering into these leases. The GST component of operating lease commitments for the year 2015 is \$7,390 (2014: \$13,784)

	2015	2014
	\$	\$
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	48,513	82,571
Later than one year but not later than five years	32,776	69,055
	<b>81,289</b>	<b>151,626</b>

(ii) *Operating lease commitments receivable*

The Company has entered into commercial property leases for office space and food outlets.

These non cancellable leases have remaining terms of between one and five years. Leases are based on net sales or fixed amounts with a clause included to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future minimum lease payments receivable under non cancellable operating leases in the aggregate and for each of the following periods are:

	2015	2014
	\$	\$
Receivable - minimum lease payments:		
Within one year	668,778	478,640
Later than one year but not later than five years	552,325	380,400
	<b>1,221,103</b>	<b>859,040</b>

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of \$421,078 including GST (2014: \$318,727) was received by the Company in the period. The total GST component of operating lease commitments receivable for the year 2015 is \$111,009 (2014: \$78,095)

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## (iii) Hire purchase commitments

The Commercial Hire Purchase Liability is an umbrella facility of up to \$500,000 that the Company can draw on for the purchase of equipment. It is renewable every 12 months. Interest is payable on each drawdown within the facility at the market rate prevailing at the time of the drawdown. As at 31 December 2015 the unused portion of the facility was \$500,000 (2014: \$500,000) and the portion of the facility in use was \$0 (2014: nil).

## (b) Capital commitments

The Company has a contractual obligation to purchase within the next 12 months, \$16,511 of plant and equipment at reporting date (2014: nil). Whilst there are no contractual capital commitments, the capital plan for 2016 totals \$405,000.

The University has approved a \$4.5 million refurbishment to the campus main shopping, dining, social, events and venues hub including the introduction of an Independent Grocers of Australia (IGA) supermarket. It is anticipated that UniCentre will contribute \$2.5 million towards the project.

## 20 Related Parties

### (a) Directors' Transactions with UniCentre and its Subsidiary

From time to time Directors of related parties or their Director related entities may purchase goods or services from Wollongong UniCentre Limited. These purchases are on the same terms and conditions as those entered into by the employees of Wollongong UniCentre Limited, or customers and are trivial or domestic in nature.

### (b) Transactions with related parties

Wollongong UniCentre Limited has a related party relationship with the following entities:

The University of Wollongong (Ultimate Controlling Entity)  
UOWD Ltd and its controlled entities (UOWC Ltd and the Community College of City University Ltd)  
University of Wollongong Recreation and Aquatic Centre

Transactions with the controlling entity The University of Wollongong were as follows:

	2015	2014
	\$	\$
Sales of goods and services:		
- Sales	1,807,031	1,610,757
- Rent received	165,572	162,515
- Commissions	68,915	80,861
- Grants for specific purposes	185,000	185,000
<b>Total</b>	<b>2,226,518</b>	<b>2,039,133</b>



# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 20 Related Parties continued

	2015 \$	2014 \$
Purchases of goods:		
- Goods and services	994,918	855,262
- Contribution to General Manager's salary	113,189	114,357
Total	<u>1,108,107</u>	<u>969,619</u>

From time to time Related Parties of the University of Wollongong, including UOWD Ltd and its controlled entities (UOWC Ltd and the Community College of City University Ltd) and the University of Wollongong Recreation & Aquatic Centre Limited (URAC) may enter into transactions with the Controlled Entity. These transactions are on the same terms and conditions as those entered into by the Company's employees or customers.

### (c) Outstanding balances arising from sales/purchases of goods and services

	2015	2014
<i>Current receivables (sales of goods and services)</i>		
Trade receivables	369,752	180,140
<i>Current payables (purchases of goods)</i>		
Trade creditors	141,599	91,643
<i>Payables (loans)</i>		
Current portion loan from University of Wollongong	126,672	440,000
Non current portion loan from University of Wollongong	-	126,672

The loan from University of Wollongong accrues interest on the outstanding balance at 6% per annum, is unsecured and due to be repaid in full by August 2016.

## 21 Economic dependency

The Company's trading activities do not depend on a major customer or supplier. However, the Company is economically dependent on the continued existence of the University of Wollongong.

## 22 Events Occurring After the Reporting Date

The University of Wollongong conducted an entity review of both Wollongong Unicentre and the University of Wollongong Recreation and Aquatic Centre during the year. The review focused on the delivery of operations of both entities and proposes a consolidation of activities across the two entities. Final approval of the proposal will be provided by the University Council early in 2016.

# Notes to the Financial Statements

For the Year Ended 31 December 2015

## 23 Contingencies

There were no known contingent assets or liabilities existing at reporting date (nil at 31/12/2014).

## 24 Reconciliation of Operating Results After Income Tax to Net Cash Flows From Operating Activities

	2015	2014
	\$	\$
Operating result for the year	(242,753)	(9,368)
Non-cash flows in profit:		
Amortisation	331,184	327,327
Depreciation	693,061	637,662
Net (gain)/loss on sale of non current assets	2,424	2,830
Changes in assets and liabilities		
(Increase)/decrease in trade/term debtors	(158,999)	449,164
Decrease/(increase) in prepayments/other debtors	55,953	3,668
(Increase)/decrease in inventories	46,828	80,151
(Increase)/decrease in bad debts allowance	2,958	(119)
(Decrease)/increase in income in advance	(601)	53,698
Increase/(decrease) in trade creditors/accruals	328,523	(275,580)
Increase/(decrease) in other operating liabilities	(452)	428
Increase/(decrease) in other provisions	(1,177)	(7,716)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,056,949</b>	<b>1,262,145</b>

END OF AUDITED FINANCIAL REPORT.



